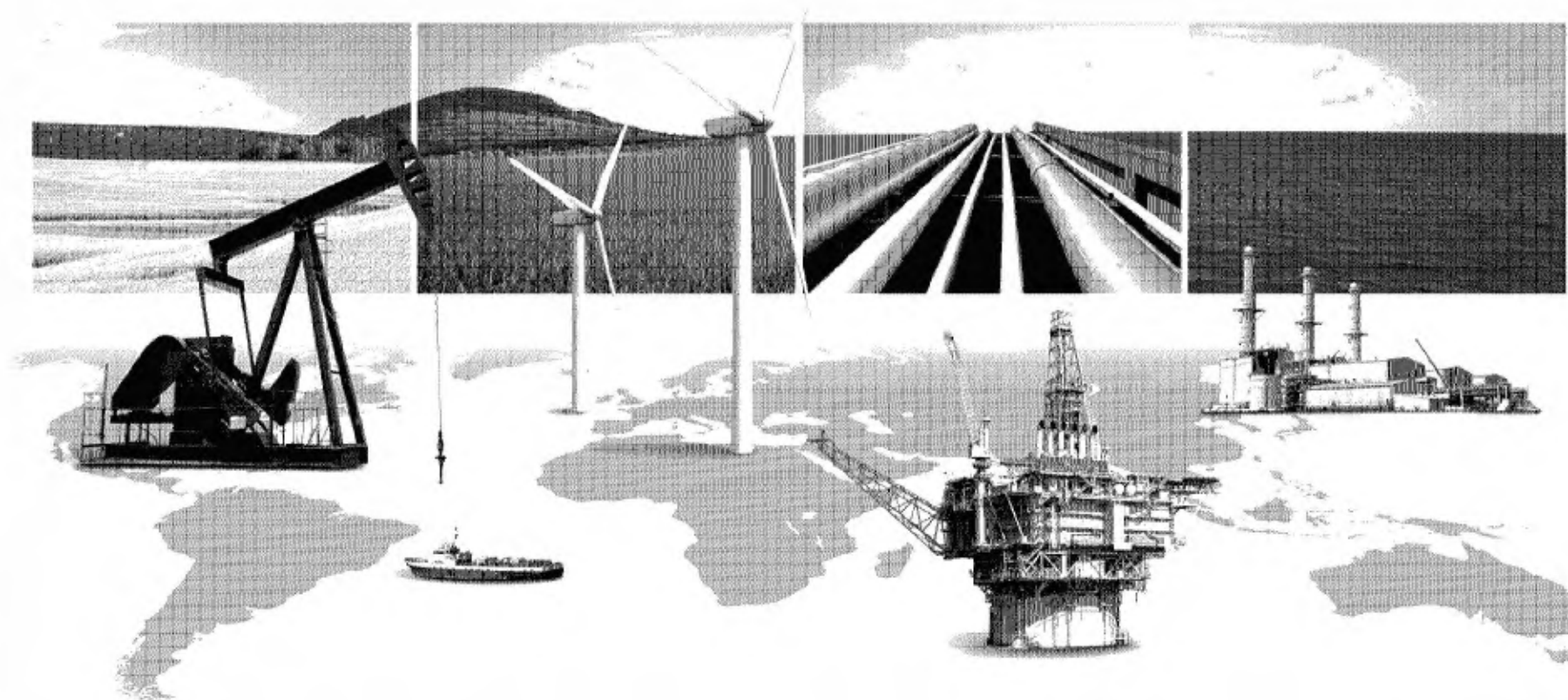


**KEPPEL OPP'N EXH. 109**

# Sete Brasil

## Discussion Materials



July 27, 2015

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# Restructuring Plan Highlights

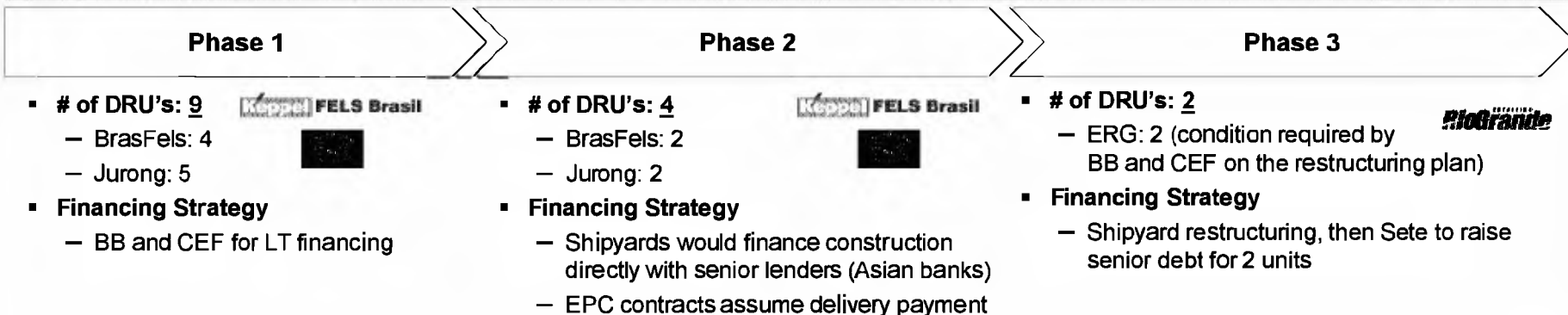
## Restructuring Plan Development

Restructuring Plan aims to right-size company's portfolio based on the following assumptions:

### Key Assumptions Underlying Restructuring Plan

- \$ 1.3 B new money
- Sale of 4 DRU's under construction at EEP shipyard and cancellation of 10 DRU's
- Final portfolio of 15 DRU's to be owned by Sete Brasil after restructuring with revised COD
- Repayment of 30% of outstanding bridge loans in 2015 and no debt conversion to equity
- 70% of bridge loans becomes LT senior financing
- LT financing for phase 1 from BB and CEF (\$ 4.4 B)
- Sete Brasil becoming operator of the DRU's

### Restructuring Plan Phases



Source: Sete Brasil Restructuring Plan, presented to shareholders on May 6, 2015.

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# Key Stakeholders Involved in the Restructuring Plan Highlights



1. Most of creditors are exposed to equity risk in Sete and / or credit risk from shipyards
2. Creditors are partially protected on SETE by FGCN (50% of Sete's debt position)
3. Some DRU's have significant "trapped equity" – accounted as Intercompany Loans. If these specific DRU's receive LT financing, equity may be released to Sete Brasil
  - More than \$ 200 M to be potentially released from ERG DRU's if Phase 3 materializes

Shareholders				Shipyards		Creditors		
Shareholder	Current Stake	Current Exposure	Proportional New Equity			Debt Position – Breakdown by institution		
				<b>BrasFELS (6 DRU's)</b> <ul style="list-style-type: none"> <li>• Best performing shipyard</li> <li>• Owned by Keppel Fels (Singapore) (100%)</li> <li>• Keeping construction of DRU's</li> </ul>		<b>Institutions</b> <b>Amount</b> <b>(%)</b>		
BTG Pactual	26.2%	951.8	336	<b>Jurong (7 DRU's)</b> <ul style="list-style-type: none"> <li>• Good performance</li> <li>• Owned by SembCorp Marine (Singapore) (100%)</li> <li>• Cooperating with the Restructuring Plan</li> <li>• Keeping construction of DRU's</li> </ul>		1. Banco do Brasil:      \$ 1,277 M      30%		
Petros	16.8%	609.4	215	<b>EEP – Enseada (6 DRU's)</b> <ul style="list-style-type: none"> <li>• Significant construction delays</li> <li>• Shipyard depends on the deal with Kawasaki</li> <li>• Owned by Odebrecht (35%), Kawasaki (30%), OAS and UTC (17.5% each)</li> <li>• 4 DRU's expected to be sold by Sete Brasil to EEP and 2 DRU's to be cancelled</li> </ul>		2. FI-FGTS (CEF):      R\$ 2,581 M      19%		
Funcef	16.8%	609.4	215	<b>ERG - Rio Grande (3 DRU's)</b> <ul style="list-style-type: none"> <li>• Construction stopped and technically bankrupt</li> <li>• Owned by Engevix (75%) and Mitsubishi (25%)</li> <li>• 2 DRU's to be considered for the Phase Shipyard undergoing corporate restructuring</li> </ul>		3. Itaú BBA:      \$ 694 M      16%		
Petrobras	9.4%	340.4	120	<b>EAS – Atlantico Sul (7 DRU's)</b> <ul style="list-style-type: none"> <li>• Construction stopped</li> <li>• Owned by Camargo Correa, Queiroz Galvão and JMU (33% each)</li> <li>• All (7) EPC contracts to be cancelled               <ul style="list-style-type: none"> <li>• Sete will pay \$ [200 – 300] M to cancel all contracts</li> </ul> </li> </ul>		4. Santander:      \$ 506 M      12%		
FI-FGTS	7.7%	280.4	99			5. Bradesco:      \$ 506 M      12%		
Santander	6.1%	221.5	78			6. CEF:      \$ 415 M      10%		
EIG	6.0%	221.1	78			7. Luce:      \$ 47 M      1%		
Luce Venture	3.4%	123.0	43			<input type="checkbox"/> Banks expected to provide LT financing <ul style="list-style-type: none"> <li>- Direct exposure to Sete: \$ 1.7 B</li> </ul>		
Bradesco	3.0%	110.6	39			<input type="checkbox"/> Directly exposed to equity risk <ul style="list-style-type: none"> <li>- Direct exposure to Sete: \$ 1.9 B</li> </ul>		
Valia	2.4%	88.4	31			<b>Operational Liabilities</b>		
Previ	2.2%	79.6	28			Shipyards:      \$1,163		
Lakeshore	0.0%	1.8	1			CMA Petrobras:      \$30		
<b>TOTAL</b>	<b>100.0%</b>	<b>3,637</b>	<b>1,284</b>			CMA Operators:      \$14		
						<b>Total</b> <b>\$ 1.2 B</b>		

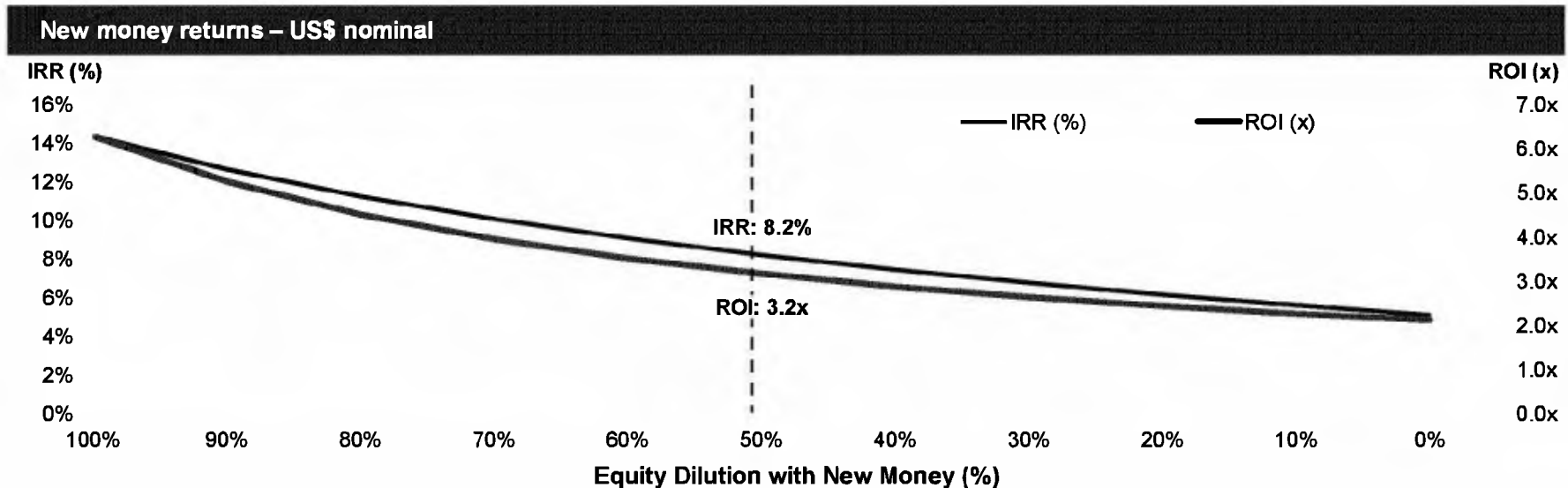
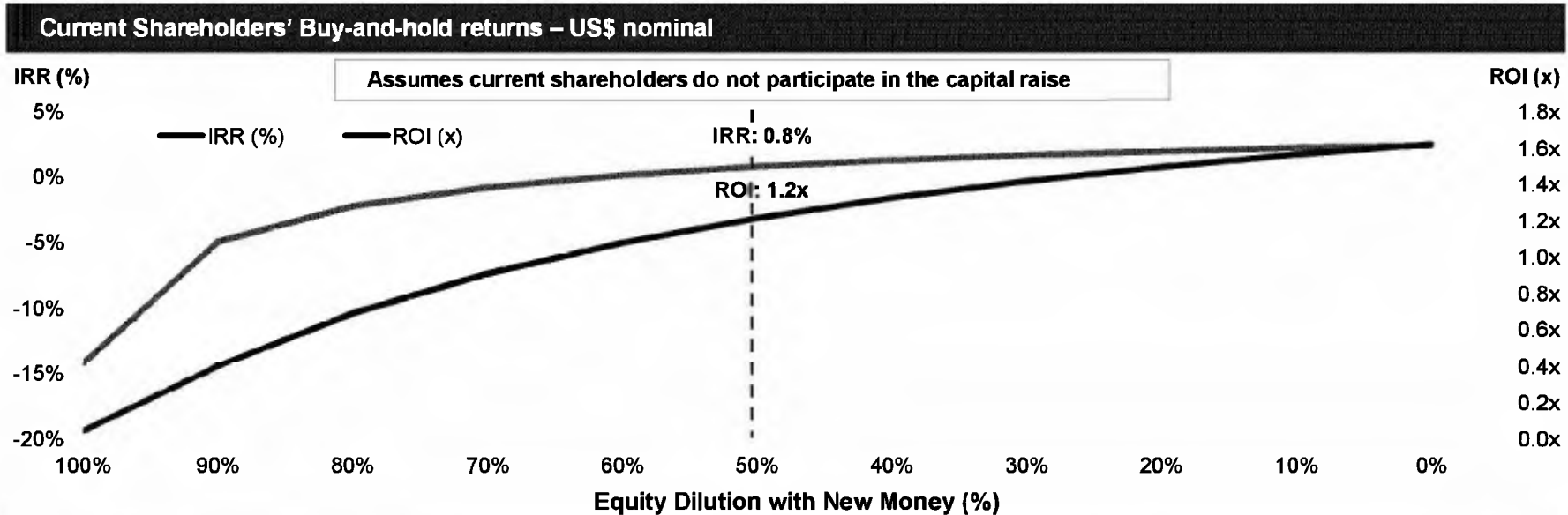
Note  
 (1) Assuming direct and indirect stakes in Sete Brasil  
 (2) Assuming average FX rate for illustrative purposes. Capital commitment in Brazilian Reals

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# Preliminary Financial Results

## Assumes Company's Restructuring Plan / New Investor



Source: Sete Brasil Financial Model and Internal Analysis

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# Sete Brasil

## Potential Developments

Potential Scenarios	Comments
<b>Sale of Assets for Operators</b>	<ol style="list-style-type: none"> <li>1. Minimum or no additional equity to be required from shareholders</li> <li>2. Feasible alternative for discussion with Petrobras and current LT financing providers</li> <li>3. After assets sale, Sete Brasil would not exist or would be significantly reduced with no more than 5 DRU's</li> <li>4. Potential significant write-off for shareholders</li> <li>5. Key challenge is internal negotiation among shareholders</li> </ol>
<b>Sete In Partnership with Operators</b>	<ol style="list-style-type: none"> <li>1. Requires at least \$ 1.3 B new equity               <ul style="list-style-type: none"> <li>- At least \$ 210 M from current shareholders</li> </ul> </li> <li>2. Sete would need to partner with at least 3 operators</li> <li>3. Expected significant dilution for current shareholders that do not participate in capital raise</li> <li>4. Key challenge is to bring operators for the project and raise additional equity</li> </ol>
<b>Bankruptcy</b>	<ol style="list-style-type: none"> <li>1. At least 2 shipyards closed (EEP, Jurong) and significant decrease in Brazilian naval workforce</li> <li>2. Sete's assets used to repay current loans and operational payments due since Nov'14</li> <li>3. Shareholders' litigation against Petrobras</li> </ol>

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# Appendix

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# Summary of Current Situation

<b>Background</b>	<ul style="list-style-type: none"> <li>▪ Since Jul'14, Sete Brasil has been undergoing several issues to raise long term financing and in Dec'14 Sete has ceased payments to shipyards and called the remaining committed capital from shareholders (reaching R\$ 8.3 B)               <ul style="list-style-type: none"> <li>– Sete did not finalize the negotiation of the operational agreements (AMA's) required to obtain long term financing</li> <li>– After release of the Car Wash allegations from a former Sete executive BNDES decided not to provide financing</li> </ul> </li> <li>▪ On April 1<sup>st</sup> 2015 Sete Brasil signed a standstill agreement with key stakeholders in order to draft a restructuring plan for the project and to avoid being executed by creditors and shipyards               <ul style="list-style-type: none"> <li>– Standstill agreement remains valid until Aug 14<sup>th</sup></li> </ul> </li> </ul>
<b>Restructuring Plan</b>	<ul style="list-style-type: none"> <li>▪ Restructuring plan still subject to approval from key stakeholders</li> <li>▪ Company expects final approval by September</li> <li>▪ Restructuring plan requires \$ 1.3 B in new additional equity               <ul style="list-style-type: none"> <li>– Company expects to raise most of the required additional equity from new shareholders (potentially Asian investors) by Nov'2015</li> <li>– However, in order to implement 1<sup>st</sup> step of the plan, Sete Brasil needs additional capital injection of \$ 210 M</li> </ul> </li> </ul>
<b>Capital Raising Process</b>	<ul style="list-style-type: none"> <li>▪ On June 18<sup>th</sup>, Sete Brasil has notified its shareholders about the additional equity commitment (\$ 210 M / EIG's stake: \$ 12 M) required for the Company to implement the 1<sup>st</sup> phase of the restructuring plan</li> </ul>

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# Developments Before Standstill Agreement

## Background

September - October 2014	November - December 2014	January – March 2015
<b>Continued delays in LT financing</b> <ol style="list-style-type: none"> <li>On Oct 2014 management was estimating senior financing disbursement in Dec</li> <li>Less favorable financing conditions under discussion, impact in shareholders' IRR started to be discussed with the Company</li> <li>Negotiations with Operators on going and Seadrill willing to substitute Petroserv in 3 DRU's</li> <li>Negotiations with Banco do Brasil for an additional bridge loan to support the company payments to shipyards in Nov 2014</li> <li>Sete Brasil difficult financial situation started to show up on national newspapers</li> </ol>	<b>Car Wash operation became public and short-term liquidity problems arising.</b> <ol style="list-style-type: none"> <li>Seaworthy (Etesco / OAS) operator exercised its put option in 3 units (under construction in Rio Grande shipyard)</li> <li>On Nov 14<sup>th</sup>, Federal Police announced the 2<sup>nd</sup> phase of Car Wash Operation, to investigate corruption scheme involving Petrobras and the largest Brazilian construction companies</li> <li>Due to the Car Wash operation allegations, further actions / documents have been required by BNDES from Sete Brasil and from shipyards as a condition for closing of senior financing</li> <li>On Nov 25<sup>th</sup>, Sete Brasil started to postpone payments to shipyards</li> <li>Sete ended Dec 2014 with a capital call reaching 100% shareholders' committed capital</li> </ol>	<b>Sete Brasil is linked to Car Wash Operation and facing short-term liquidity problems and risks on long-term financing execution</b> <ol style="list-style-type: none"> <li>2<sup>nd</sup> week of Jan: PBR has cancelled the extension of 2 rigs from Seadrill, which threatened to cancel contracts with Sete (2 DRU's from 1<sup>st</sup> batch)</li> <li>UKEF did not accept anticorruption declaration from PBR – decreasing in \$200M expected LT financing</li> <li>On Feb 4<sup>th</sup>, Graça Foster and 5 PBR directors resigned, without signing Sete Brasil AMA</li> <li>On Feb 5<sup>th</sup>, Pedro Barusco's plea bargain involved Sete former CEO and two directors, exacerbating company's LT financing discussions</li> </ol>

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# Highlights of the Cooperation Agreement Signed by Shareholders, Petrobras and Sete Background



Topic	Discussion
DRU's	<ul style="list-style-type: none"> <li>• 1<sup>st</sup> system DRU's are the main purpose of the Cooperation Agreement</li> </ul>
Focus	<ul style="list-style-type: none"> <li>• Protect Sete Brasil returns from two specific issues:               <ol style="list-style-type: none"> <li>1 – Deteriorated financing conditions from BNDES and commercial banks</li> <li>2 – Change orders required / authorized by Petrobras</li> </ol> </li> </ul>
Charter Rate Compensation	<ul style="list-style-type: none"> <li>• Any change in charter rates to compensate Sete Brasil and Petrobras returns should be implemented only after execution of senior financing</li> </ul>
Change Orders	<ul style="list-style-type: none"> <li>• Additional capex related to change orders should lead to daily rates increase if required / authorized by Petrobras</li> </ul>
Delivery delays / Local Content	<ul style="list-style-type: none"> <li>• Penalties related to delivery delays and to disagreement with local content requirements will not allow Sete Brasil to request daily rate adjustments</li> </ul>
Petrobras Acknowledgment	<ul style="list-style-type: none"> <li>• At this moment, PBR claims that this agreement is not valid / applicable</li> </ul>

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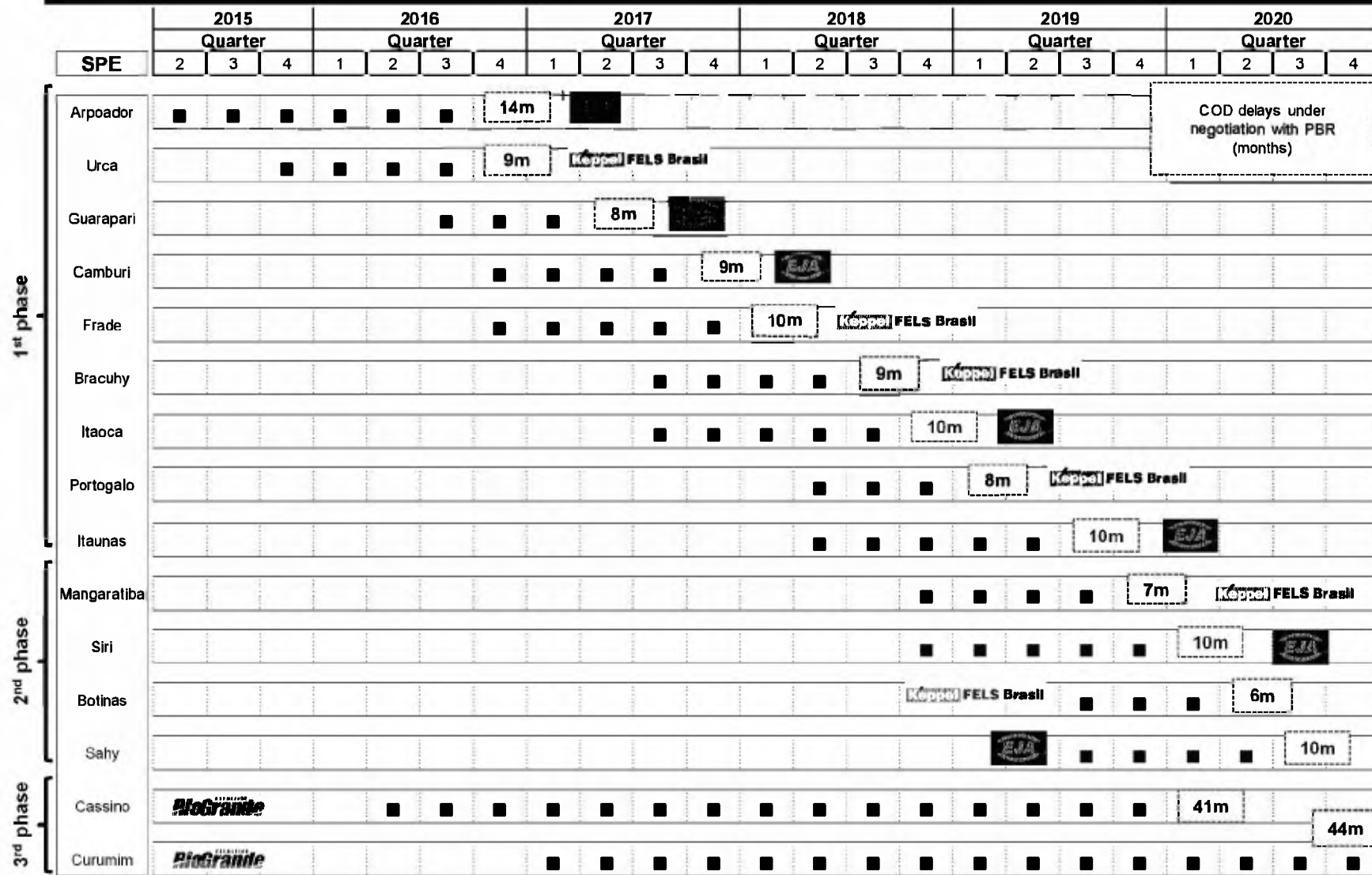


GLOBAL ENERGY PARTNERS

# Revised COD Schedule

## Based on Undergoing Discussions with Shipyards and PBR

### Contractual Handover Dates vs. Restructuring Plan Handover Dates



Source: Sete Brasil Restructuring Plan, presented to shareholders on May 6, 2015.

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# Restructuring Plan Highlights

## Next Steps

By September 2015	By November 2015
<ul style="list-style-type: none"> <li>• Receive final approval from Petrobras</li> <li>• Receive final approval from creditors</li> <li>• Raise additional equity \$ 210 M from current shareholders</li> <li>• Reach an agreement with Asian investors for the acquisition of 4 DRU's (EEP)</li> <li>• Start implementation of corporate restructuring</li> <li>• Acquire operators stake in the SPV's</li> <li>• Engage new creditors (e.g.: China Development Bank)</li> <li>• Engage additional potential investors and operators</li> </ul>	<ul style="list-style-type: none"> <li>• Structure Sete Operator in order to expedite senior financing disbursement for Phase 1 rigs</li> <li>• Finish negotiations for senior debt financing for Phase 1 DRU's (Banco do Brasil and Caixa)</li> <li>• Complete corporate restructuring (terminarion of Sete's operations in Austria)</li> <li>• Negotiate with Jurong and BrasFels financing from Asian banks for Phase 2 rigs</li> <li>• Raise additional required equity \$ 1.1 B</li> </ul>

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